

EXHIBIT A

Catherine L. Davis, et al. v.
Dell, Inc., et al.

Michael B. Hudanick
October 13, 2008

1	IN THE UNITED STATES DISTRICT COURT	
	FOR THE WESTERN DISTRICT OF OKLAHOMA	
2		
3	CATHERINE L. DAVIS and)	
4	TOMMY MOORE, individually)	
	and on behalf of others)	
5	Similarly situated,)	
	Plaintiffs,)	CASE NO. 5L07-cv-01401-W
6	VS.)	
7	DELL, INC. d/b/a DELL)	
8	COMPUTER, INC., DELL USA)	
	L.P., AND DELL)	CLASS ACTION COMPLAINT
9	MARKETING, L.P.,)	
	Defendants.)	DEMAND FOR JURY TRIAL
10		
	* * * * *	
11	ORAL DEPOSITION OF	
	MICHAEL B. HUDANICK	
12		
	OCTOBER 13, 2008	
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	* * * * *	
14		
15	ORAL DEPOSITION OF MICHAEL B. HUDANICK,	
16	produced as a witness at the instance of the	
17	PLAINTIFFS, and duly sworn, was taken in the	
18	above-styled and numbered cause on the 13TH of	
19	OCTOBER, 2008, before Brenda J. Wright, RPR, CSR in	
20	and for the State of Texas, reported by machine	
21	shorthand, at the Law Offices of Ogletree, Deakins,	
22	Nash, Smoak & Stewart, 301 Congress Avenue, Suite	
23	1250, Austin, Texas, pursuant to the Federal Rules of	
24	Civil Procedure and the provisions stated on the	
25	record or attached herein.	

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<p style="text-align: right;">50</p> <p>1 of size of the business.</p> <p>2 Q. What is the spending comparison, for</p> <p>3 purposes of quantifying a business being an SMB as</p> <p>4 opposed to an account that goes to the corporate</p> <p>5 account?</p> <p>6 A. It -- it's spending. So I can't give you</p> <p>7 the -- I don't know the specific dollar breaks, but</p> <p>8 it's based upon kind of the -- the customer set, as</p> <p>9 well as the net number of servers that they would</p> <p>10 have. So in terms of the -- the equipment, as well as</p> <p>11 the dollars spent, is what distinguishes SMB from one</p> <p>12 of the corporate or public groups.</p> <p>13 Q. Who makes the decision that something would</p> <p>14 be a corporate account, as opposed to fitting within</p> <p>15 one of these other units of the SMB?</p> <p>16 A. It's driven by finance and how they segment</p> <p>17 their -- their accounts.</p> <p>18 Q. So the finance group looks at this, and they</p> <p>19 basically tell you-all, as well as the CCO group and</p> <p>20 everyone else, that this particular account is going</p> <p>21 to fall under SMB?</p> <p>22 A. Well, they would come up with general</p> <p>23 guidelines.</p> <p>24 Q. Okay.</p> <p>25 A. And then as they -- if a new customer calls</p>	<p style="text-align: right;">52</p> <p>1 formal compensation training only occurs during new</p> <p>2 hire.</p> <p>3 Q. Okay. All right. All right. If you look</p> <p>4 at total target compensation, it says, the expected</p> <p>5 pay for a position, including both base pay and</p> <p>6 incentive pay, the variable portion of target</p> <p>7 compensation is based on what the employee will earn</p> <p>8 at 100 percent attainment. So that's if -- if they</p> <p>9 hit their goal at 100 percent, they would reach the</p> <p>10 total target comp?</p> <p>11 A. If they hit a hundred percent attainment as</p> <p>12 well as target in stacks, so a hundred percent in</p> <p>13 stacks would be TTC.</p> <p>14 Q. You have to be a 100 percent on commission</p> <p>15 and stacks to reach TTC?</p> <p>16 A. Correct.</p> <p>17 Q. All right. You said you didn't particularly</p> <p>18 have any input in five here, but this is talking about</p> <p>19 weighting. And you've mentioned weighting a little</p> <p>20 bit earlier. Can you tell me generally what the</p> <p>21 component weighting is referring to as it relates to</p> <p>22 compensation for the ISRs?</p> <p>23 A. It would be the -- the weight of the -- you</p> <p>24 know, the -- the -- the metrics of -- for example, in</p> <p>25 the SMB business, the two metrics within their plan</p>
<p style="text-align: right;">51</p> <p>1 in, the sales maker would inquire and, you know, match</p> <p>2 it against the guidelines and determine whether it's</p> <p>3 something that they would handle or need to route to</p> <p>4 another part of the company.</p> <p>5 Q. Okay. So the finance group would</p> <p>6 essentially make this determination. They would come</p> <p>7 up with the guidelines, and then they would</p> <p>8 communicate those down to the sales people?</p> <p>9 A. Correct.</p> <p>10 Q. Okay. Are each of the employees within each</p> <p>11 of these various units all considered ISRs?</p> <p>12 A. In those units, correct. There are -- there</p> <p>13 are some additional units.</p> <p>14 Q. And they're, again, all considered salaried</p> <p>15 nonexempt at this point?</p> <p>16 A. That's correct. All sales makers, with the</p> <p>17 exception of consumer, are salaried nonexempt.</p> <p>18 Q. And training for those folks would follow</p> <p>19 the same guidelines as, for example, what we're</p> <p>20 looking at here?</p> <p>21 A. Generally, our formal training occurs for</p> <p>22 the new hires. And as they progress through the</p> <p>23 ranks, it's more on-the-job training versus a</p> <p>24 formalized training. There is some specialized</p> <p>25 training, based on the nature of the job, but the</p>	<p style="text-align: right;">53</p> <p>1 are revenue and margin. So it's the weight assigned</p> <p>2 to revenue and the weight assigned to margin within</p> <p>3 their plan.</p> <p>4 Q. All right. And there is a reference down</p> <p>5 there to SRIBs. What is an SRIB?</p> <p>6 A. It's a sales rep IB. That's our entry level</p> <p>7 sales rep position within SMB.</p> <p>8 Q. Okay. And those two notes are really just</p> <p>9 effectively saying the SR -- is that SRI?</p> <p>10 A. SR IB and SRI.</p> <p>11 Q. Okay. SRI through SR IV have the</p> <p>12 opportunity to make a greater variable component of</p> <p>13 their salary?</p> <p>14 A. What this -- so are you talking to the</p> <p>15 accelerator language --</p> <p>16 Q. Yes.</p> <p>17 A. -- on slide five?</p> <p>18 Q. Yeah.</p> <p>19 A. So that's the -- for exceeding a</p> <p>20 hundred percent, the amount of acceleration applied.</p> <p>21 So for an SR IB, for example, if they're at 110, they</p> <p>22 get two X applied to the 10 percent over 100.</p> <p>23 Q. Uh-huh.</p> <p>24 A. The other sales makers would get four X</p> <p>25 applied. So, you know, to use that same example, 110,</p>

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<p>1 A. The one difference -- or at least the one</p> <p>2 column on page two, it does -- the note indicates that</p> <p>3 incentive overtime premium is calculated at -- at the</p> <p>4 completion of a fiscal quarter. It is based on total</p> <p>5 hours worked and incentive pay earned during that</p> <p>6 quarter. I'm not sure if Exhibit 9 had that note in</p> <p>7 it or not.</p> <p>8 Q. (BY MS. WATERS) Okay. And is this --</p> <p>9 again, we don't know if this is a training slide or if</p> <p>10 this was used in any manner for purposes of training,</p> <p>11 do we?</p> <p>12 A. I'm not sure how it was used. I just recall</p> <p>13 seeing this version. When I had a question on one</p> <p>14 calculation, I remember having this sent to me.</p> <p>15 Q. Okay. And the second page, the note there,</p> <p>16 is that an -- a reference to true-up, even though the</p> <p>17 words true-up are not referenced?</p> <p>18 A. My understanding is that is -- that is</p> <p>19 correct because it -- it talks about that it's</p> <p>20 calculated at the completion of the quarter, based on</p> <p>21 total hours and incentive pay earned.</p> <p>22 Q. But it doesn't say anything about it being</p> <p>23 bumped up to meet minimum standard wage requirements,</p> <p>24 does it?</p> <p>25 A. It just says it's paid after commissions</p>	<p>1 CHANGES AND SIGNATURE</p> <p>2 Page/Line Correction Reason for Correction</p> <p>3 _____</p> <p>4 _____</p> <p>5 _____</p> <p>6 _____</p> <p>7 _____</p> <p>8 _____</p> <p>9 _____</p> <p>10 _____</p> <p>11 _____</p> <p>12 _____</p> <p>13 _____</p> <p>14 _____</p> <p>15 _____</p> <p>16 _____</p> <p>17 _____</p> <p>18 _____</p> <p>19 _____</p> <p>20 _____</p> <p>21 _____</p> <p>22 _____</p> <p>23 _____</p> <p>24 I, MICHAEL B. HUDANICK, have read the</p> <p>25 foregoing deposition and hereby affix my signature</p>
<p>1 have been paid for the last month. So it indicates</p> <p>2 it's a -- a secondary incentive payment.</p> <p>3 Q. Okay. And there may be various other</p> <p>4 iterations of the policies and compensation and</p> <p>5 administration documents, other than what we've looked</p> <p>6 at today. Is that true?</p> <p>7 A. That's correct.</p> <p>8 Q. On average, how many times a year does Dell</p> <p>9 go back and issue new compensation policies and</p> <p>10 administration guidelines?</p> <p>11 A. It varies by segment. Some segments, it may</p> <p>12 not be updated at all. Other segments may be a minor</p> <p>13 modification, where it's just a word change. I</p> <p>14 couldn't hazard what an average is. It could go from</p> <p>15 zero to five or six.</p> <p>16 Q. Okay.</p> <p>17 A. But it's -- it's very business specific.</p> <p>18 MS. WATERS: Pass the witness.</p> <p>19 MR. FOX: We'll reserve our questions</p> <p>20 until the time of trial.</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 that same is true and correct, except as noted above.</p> <p>2</p> <p>3</p> <p>4 _____</p> <p>5 MICHAEL B. HUDANICK</p> <p>6</p> <p>7</p> <p>8 THE STATE OF _____)</p> <p>9 COUNTY OF _____)</p> <p>10</p> <p>11 Before me, _____, on</p> <p>12 this day personally appeared MICHAEL B. HUDANICK,</p> <p>13 known to me to be the person whose name is subscribed</p> <p>14 to the foregoing instrument and acknowledged to me</p> <p>15 that they executed the same for the purposes and</p> <p>16 consideration therein expressed.</p> <p>17 Given under my hand and seal of office</p> <p>18 this _____ day of _____,</p> <p>19 _____.</p> <p>20</p> <p>21 _____</p> <p>22 NOTARY PUBLIC IN AND FOR</p> <p>23 THE STATE OF _____</p> <p>24</p> <p>25 JOB NO. 081013BJW</p>

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Defendants.) DEMAND FOR JURY TRIAL

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10 REPORTER'S CERTIFICATION

ORAL DEPOSITION OF

11 MICHAEL B. HUDANICK

OCTOBER 13, 2008

12 * * * * *

13 I, BRENDA J. WRIGHT, Certified Shorthand

14 Reporter in and for the State of Texas, hereby certify

15 to the following:

16 That the witness, MICHAEL B. HUDANICK, was duly

17 sworn by the officer and that the transcript of the

18 oral deposition is a true record of the testimony

19 given by the witness;

20 That the deposition transcript was submitted on

21 OCTOBER 30, 2008 to the witness for examination,

22 signature and return to MS. ALLISON B. WATERS;

23 That \$ _____ is the deposition

24 officer's charges for preparing the original

25 deposition transcript and any copies of exhibits,

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1 charged to PLAINTIFFS;

2 That pursuant to information given to the

3 deposition officer at the time said testimony as

4 taken, the following includes all parties of record:

5 For the Plaintiffs:

Ms. Allison B. Waters

6 FEDERMAN & SHERWOOD

10205 N. Pennsylvania Avenue

7 Oklahoma City, Oklahoma 73120

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8 For the Defendants:

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11 Austin, Texas 78701

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12

13 I further certify that I am neither counsel

14 for, related to, nor employed by any of the parties or

15 attorneys in the action in which this proceeding was

16 taken, and further that I am not financially or

17 otherwise interested in the outcome of the action.

18 Certified to by me this 29TH day of OCTOBER,

19 2008.

20

21

BRENDA J. WRIGHT, Texas CSR No. 1780

Expiration Date: 12-31-08

WRIGHT WATSON & ASSOCIATES

23 Firm Registration No. 225

Expiration Date: 12-31-09

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